

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 3268 – SB 3250

April 1, 2010

SUMMARY OF AMENDMENT (016102): Adds language exempting full-time and part-time instructors in the Department of Commerce and Insurance from the bill.

FISCAL IMPACT OF CORRECTED BILL:

Increase State Expenditures – Exceeds \$37,800

Increase Federal Expenditures - \$4,300

Increase Local Expenditures – Exceeds \$100,000*

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the corrected fiscal note.

Assumption applied to amendment:

- According to the Department of Commerce and Insurance, exempting instructors will not change the number of persons estimated to qualify for a death benefit.
- According to the Department of Treasury, this legislation is estimated to increase the number of firefighters who receive a disability benefit by at least one over a 20 year period, with a lump sum pension liability estimated at \$173,300. The annual cost to amortize the additional liability over 20 years is estimated to be \$17,000, of which 75 percent is paid by the state and 25 percent is paid by the federal government. State expenditures are estimated to increase \$12,750 (75% of \$17,000) and federal expenditures are estimated to increase \$4,250 (25% of \$17,000).
- According to the Department of Safety (DOS), this legislation will not have a fiscal impact on DOS.

HB 3268 – SB 3250 (CORRECTED)

- Local government expenditures are expected to increase due to additional worker's compensation claims. This increase is estimated to be in excess of \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kmc